



July 11, 2007

The Honorable Collin Peterson  
Chairman, Committee on Agriculture  
U.S. House of Representatives  
Washington D.C. 20510

Dear Mr. Chairman:

I am writing on behalf of the Midwest Dairy Coalition to express our support for your Farm Bill mark, as released on July 6<sup>th</sup>. Our support is based primarily on the inclusion of our two main farm bill priorities:

- 1) Reauthorization of the Milk Income Loss Contract Program for the life of the Farm Bill; and,
- 2) Authorization of the Dairy Product Price Support Program

While we support these provisions, we would also urge your consideration of further modifications to improve the functioning of these important programs. Specifically:

- 1) With regard to the MILC program, we support efforts to increase the payment rate to the 45 percent rate as originally enacted in the 2002 Farm Bill, and to increase the volume cap modestly to reflect productivity and herd-size growth trends that have taken place since enactment of the program in 2002; and,
- 2) With regard to the Dairy Product Price Support Program, we support efforts to increase the purchase prices for butter, powder and cheese to more adequately reflect the costs of selling product to the Commodity Credit Corporation, and we also urge the deletion of Section 1401(c) of your draft, which would provide for an automatic reduction of dairy product purchase prices below the existing inadequate levels, when CCC stocks built to certain quantities. This provision is unnecessary and counterproductive, and its deletion would be budget neutral.

Thank you for your hard work on behalf of dairy farmers during this Farm Bill process. We look forward to working with you closely as the bill moves through Full Committee and onto the House floor.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven D. Etka".

Steven D. Etka  
Coordinator